
HOUSE BILL 2921

State of Washington

60th Legislature

2008 Regular Session

By Representatives Kessler, Rodne, and Springer; by request of Attorney General

Read first time 01/17/08. Referred to Committee on Judiciary.

1 AN ACT Relating to the community renewal law; amending RCW
2 35.81.005, 35.81.015, 35.81.040, 35.81.050, 35.81.060, 35.81.070,
3 35.81.080, and 35.81.090; and repealing RCW 35.81.030.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 35.81.005 and 2002 c 218 s 2 are each amended to read
6 as follows:

7 It is hereby found and declared that blighted (~~((areas which))~~)
8 properties constitute a serious and growing menace, injurious to the
9 public health(~~(,)~~) and safety(~~(, morals and welfare)~~) of the residents
10 of the state, and exist in municipalities of the state(~~(; that the~~
11 ~~existence of such areas contributes substantially and increasingly to~~
12 ~~the spread of disease and crime and depreciation of property values,~~
13 ~~constitutes an economic and social liability, substantially impairs or~~
14 ~~arrests the sound growth of municipalities, retards the provision of~~
15 ~~housing accommodations, hinders job creation and economic growth,~~
16 ~~aggravates traffic problems and substantially impairs or arrests the~~
17 ~~elimination of traffic hazards and the improvement of traffic~~
18 ~~facilities; and that)).~~ The prevention and elimination of such
19 ~~((areas))~~ properties is a matter of state policy and state concern in

1 order that the state and its municipalities shall not continue to be
2 endangered by ~~((areas))~~ properties which are focal centers of disease,
3 promote juvenile delinquency, are conducive to fires, and are difficult
4 to police and to provide police protection for~~((, and, while~~
5 ~~contributing little to the tax income of the state and its~~
6 ~~municipalities, consume an excessive proportion of its revenues because~~
7 ~~of the extra services required for police, fire, accident,~~
8 ~~hospitalization and other forms of public protection, services, and~~
9 ~~facilities)).~~

10 It is further found and declared that certain of such ~~((areas))~~
11 properties, or portions thereof, may require acquisition, clearance,
12 and disposition subject to use restrictions, as provided in this
13 chapter, since the prevailing condition of decay may make impracticable
14 the reclamation of the ~~((area))~~ properties by rehabilitation; that
15 other ~~((areas))~~ properties or portions thereof may, through the means
16 provided in this chapter, be susceptible of rehabilitation in such a
17 manner that the conditions and evils hereinbefore enumerated may be
18 eliminated, remedied, or prevented; and that to the extent feasible
19 salvable blighted ~~((areas))~~ properties should be rehabilitated through
20 voluntary action and the regulatory process.

21 ~~((It is further found and declared that there is an urgent need to~~
22 ~~enhance the ability of municipalities to act effectively and~~
23 ~~expeditiously to revive blighted areas and to prevent further blight~~
24 ~~due to shocks to the economy of the state and their actual and~~
25 ~~threatened effects on unemployment, poverty, and the availability of~~
26 ~~private capital for businesses and projects in the area.))~~

27 It is further found and declared that the powers conferred by this
28 chapter are for public uses and purposes for which public money may be
29 expended and the power of eminent domain exercised~~((; and that the~~
30 ~~necessity in the public interest for the provisions herein enacted is~~
31 ~~hereby declared as a matter of legislative determination)).~~

32 **Sec. 2.** RCW 35.81.015 and 2002 c 218 s 1 are each amended to read
33 as follows:

34 The following terms wherever used or referred to in this chapter,
35 shall have the following meanings, unless a different meaning is
36 clearly indicated by the context:

1 (1) "Agency" or "community renewal agency" means a public agency
2 created under RCW 35.81.160 or otherwise authorized to serve as a
3 community renewal agency under this chapter.

4 (2) "Blighted ~~((area))~~ property" means ~~((an area which))~~ specific
5 property, by reason of the substantial physical dilapidation,
6 deterioration, defective construction, and material~~((, and arrangement~~
7 ~~and/or age or obsolescence))~~ of buildings or improvements, whether
8 residential or nonresidential, inadequate provision for ventilation,
9 light, proper sanitary facilities, or open spaces as determined by
10 competent appraisers on the basis of an examination of the building
11 standards of the municipality; ~~((inappropriate uses of land or~~
12 ~~buildings; existence of overcrowding of buildings or structures;~~
13 ~~defective or inadequate street layout; faulty lot layout in relation to~~
14 ~~size, adequacy, accessibility or usefulness; excessive land coverage;~~
15 ~~insanitary))~~ unsanitary or unsafe conditions; deterioration of site;
16 existence of hazardous soils, substances, or materials; ~~((diversity of~~
17 ~~ownership;))~~ tax or special assessment delinquency exceeding the fair
18 value of the land; defective or unusual conditions of title; ~~((improper~~
19 ~~subdivision or obsolete platting; existence of persistent and high~~
20 ~~levels of unemployment or poverty within the area;))~~ or the existence
21 of conditions that endanger life or property by fire or other causes,
22 or any combination of such factors, is conducive to ill health,
23 transmission of disease, or infant mortality~~((, juvenile delinquency or~~
24 ~~crime; substantially impairs or arrests the sound growth of the~~
25 ~~municipality or its environs, or retards the provision of housing~~
26 ~~accommodations; constitutes an economic or social liability));~~ and/or
27 ~~((is detrimental, or))~~ constitutes a menace~~((,))~~ to the public
28 health~~((,))~~ and safety~~((, welfare, or morals))~~ in its present condition
29 and use.

30 (3) "Bonds" means any bonds, notes, or debentures (including
31 refunding obligations) herein authorized to be issued.

32 (4) "Clerk" means the clerk or other official of the municipality
33 who is the custodian of the official records of such municipality.

34 (5) "Community renewal area" means ~~((a blighted))~~ an area in which
35 one or more blighted properties, and only such blighted properties, are
36 located, and which the local governing body designates as appropriate
37 for a community renewal project or projects.

1 (6) "Community renewal plan" means a plan, as it exists from time
2 to time, for a community renewal project or projects, which plan (a)
3 shall be consistent with the comprehensive plan or parts thereof for
4 the municipality as a whole; (b) shall be sufficiently complete to
5 indicate such land acquisition, demolition, and removal of structures,
6 redevelopment, improvements, and rehabilitation as may be proposed to
7 be carried out in the community renewal area; zoning and planning
8 changes, if any, which may include, among other things, changes related
9 to land uses, densities, and building requirements; and the plan's
10 relationship to definite local objectives respecting appropriate land
11 uses, improved traffic, public transportation, public utilities,
12 recreational and community facilities, and other public improvements;
13 (c) shall address the need for replacement housing, within the
14 municipality, where existing housing is lost as a result of the
15 community renewal project undertaken by the municipality under this
16 chapter; and (d) may include a plan to address any persistent high
17 levels of unemployment or poverty in the community renewal area.

18 (7) "Community renewal project" includes one or more undertakings
19 or activities of a municipality in a community renewal area: (a) For
20 the elimination (~~(and the prevention of the development or spread)~~) of
21 blight; (b) for encouraging economic growth through job creation or
22 retention; (c) for redevelopment or rehabilitation in a community
23 renewal area; or (d) any combination or part thereof in accordance with
24 a community renewal plan.

25 (8) "Federal government" includes the United States of America or
26 any agency or instrumentality, corporate or otherwise, of the United
27 States of America.

28 (9) "Local governing body" means the council or other legislative
29 body charged with governing the municipality.

30 (10) "Mayor" means the chief executive of a city or town, or the
31 elected executive, if any, of any county operating under a charter, or
32 the county legislative authority of any other county.

33 (11) "Municipality" means any incorporated city or town, or any
34 county, in the state.

35 (12) "Obligee" includes any bondholder, agent, or trustees for any
36 bondholders, any lessor demising to the municipality property used in
37 connection with a community renewal project, or any assignee or

1 assignees of such lessor's interest or any part thereof, and the
2 federal government when it is a party to any contract with the
3 municipality.

4 (13) "Person" means any individual, firm, partnership, corporation,
5 company, association, joint stock association, or school district; and
6 shall include any trustee, receiver, assignee, or other person acting
7 in a similar representative capacity.

8 (14) "Persons of low income" means an individual with an annual
9 income, at the time of hiring or at the time assistance is provided
10 under this chapter, that does not exceed the higher of either: (a)
11 Eighty percent of the statewide median family income, adjusted for
12 family size; or (b) eighty percent of the median family income for the
13 county or standard metropolitan statistical area, adjusted for family
14 size, where the community renewal area is located.

15 (15) "Public body" means the state or any municipality, board,
16 commission, district, or any other subdivision or public body of the
17 state or of a municipality.

18 (16) "Public officer" means any officer who is in charge of any
19 department or branch of the government of the municipality relating to
20 health, fire, building regulations, or to other activities concerning
21 dwellings in the municipality.

22 (17) "Real property" includes all lands, including improvements and
23 fixtures thereon, and property of any nature appurtenant thereto, or
24 used in connection therewith, and every estate, interest, right and
25 use, legal or equitable, therein, including terms for years and liens
26 by way of judgment, mortgage or otherwise.

27 (18) "Redevelopment" includes (a) acquisition of ((a)) blighted
28 ((area)) properties or portions thereof; (b) demolition and removal of
29 buildings and improvements; (c) installation, construction, or
30 reconstruction of streets, utilities, parks, playgrounds, and other
31 improvements necessary for carrying out in the area the community
32 renewal provisions of this chapter in accordance with the community
33 renewal plan; (d) making the land available for development or
34 redevelopment by private enterprise or public bodies (including sale,
35 initial leasing, or retention by the municipality itself) at its fair
36 value for uses in accordance with the community renewal plan; and (e)
37 making loans or grants to a person or public body for the purpose of

1 creating or retaining jobs, a substantial portion of which, as
2 determined by the municipality, shall be for persons of low income.

3 (19) "Rehabilitation" includes the restoration and renewal of ((a))
4 blighted ((area)) properties or portions thereof, in accordance with a
5 community renewal plan, by (a) carrying out plans for a program of
6 voluntary or compulsory repair and rehabilitation of buildings or other
7 improvements; (b) acquisition of real property and demolition or
8 removal of buildings and improvements thereon where necessary to
9 eliminate unhealthful, ((insanitary)) unsanitary, or unsafe
10 conditions(~~(, lessen density, reduce traffic hazards, eliminate~~
11 ~~obsolete or other uses detrimental to the public welfare, or otherwise~~
12 ~~to remove or prevent the spread of blight or deterioration)), or to
13 provide land for needed public facilities; (c) installation,
14 construction, or reconstruction of streets, utilities, parks,
15 playgrounds, and other improvements necessary for carrying out in the
16 area the community renewal provisions of this chapter; and (d) the
17 disposition of any property acquired in such community renewal area for
18 uses in accordance with such community renewal plan.~~

19 **Sec. 3.** RCW 35.81.040 and 2002 c 218 s 4 are each amended to read
20 as follows:

21 A municipality for the purposes of this chapter may formulate a
22 workable program for using appropriate private and public resources to
23 eliminate(~~(, and prevent the development or spread of,))~~ blighted
24 ((areas)) properties, to encourage needed community rehabilitation, to
25 provide for the redevelopment of such ((areas)) properties, or to
26 undertake the activities, or other feasible municipal activities as may
27 be suitably employed to achieve the objectives of the workable program.
28 The workable program may include, without limitation, provision for:
29 The (~~prevention of the spread of blight into areas of the municipality~~
30 ~~which are free from blight through)) diligent enforcement of housing,
31 zoning, and occupancy controls and standards; the rehabilitation of
32 blighted ((areas)) properties or portions thereof by replanning,
33 removing congestion, providing parks, playgrounds, and other public
34 improvements, by encouraging voluntary rehabilitation and by compelling
35 the repair and rehabilitation of deteriorated or deteriorating
36 structures; the replacement of housing that is lost as a result of
37 community renewal activities within a community renewal area; the~~

1 clearance and redevelopment of blighted ((areas)) properties or
2 portions thereof; and the reduction of unemployment and poverty within
3 the community renewal area by providing financial or technical
4 assistance to a person or public body that is used to create or retain
5 jobs, a substantial portion of which, as determined by the
6 municipality, shall be for persons of low income.

7 **Sec. 4.** RCW 35.81.050 and 2002 c 218 s 5 are each amended to read
8 as follows:

9 (1) No municipality shall exercise any of the powers hereafter
10 conferred upon municipalities by this chapter until after its local
11 governing body shall have adopted an ordinance or resolution finding
12 that: (a) One or more blighted ((areas)) properties exist in such
13 municipality; and (b) the rehabilitation, redevelopment, or a
14 combination thereof, of such ((area or areas)) property or properties
15 is necessary in the interest of the public health((~~τ~~)) and safety((~~τ~~
16 ~~morals, or welfare~~)) of the residents of such municipality.

17 (2) After adoption of the ordinance or resolution making the
18 findings described in subsection (1) of this section, the local
19 governing body of the municipality may elect to have the powers of a
20 community renewal agency under this chapter exercised in one of the
21 following ways:

22 (a) By appointing a board or commission composed of not less than
23 five members, which board or commission shall ((~~include municipal~~
24 ~~officials and~~)) be comprised of elected officials from such
25 municipality, selected by the mayor, with approval of the local
26 governing body of the municipality; or

27 (b) By the local governing body of the municipality directly((~~τ~~ or

28 ~~(c) By the board of a public corporation, commission, or authority~~
29 ~~under chapter 35.21 RCW, or a public facilities district created under~~
30 ~~chapter 35.57 or 36.100 RCW, or a public port district created under~~
31 ~~chapter 53.04 RCW, or a housing authority created under chapter 35.82~~
32 ~~RCW, that is authorized to conduct activities as a community renewal~~
33 ~~agency under this chapter)).~~

34 **Sec. 5.** RCW 35.81.060 and 2002 c 218 s 6 are each amended to read
35 as follows:

36 (1) A municipality shall not approve a community renewal project

1 for a community renewal area unless the local governing body has, by
2 ordinance or resolution, determined (~~((such an area to be a blighted))~~)
3 that one or more blighted properties are located in the area and
4 designated the area as appropriate for a community renewal project.
5 The local governing body shall not approve a community renewal plan
6 until a comprehensive plan or parts of the plan for an area which would
7 include a community renewal area for the municipality have been
8 prepared as provided in chapter 36.70A RCW. For municipalities not
9 subject to the planning requirements of chapter 36.70A RCW, any
10 proposed comprehensive plan must be consistent with a local
11 comprehensive plan adopted under chapter 35.63 or 36.70 RCW, or any
12 other applicable law. A municipality shall not acquire real property
13 for a community renewal project unless the local governing body has
14 approved the community renewal project plan in accordance with
15 subsection (4) of this section.

16 (2) The municipality may itself prepare or cause to be prepared a
17 community renewal plan, or any person or agency, public or private, may
18 submit such a plan to the municipality. Prior to its approval of a
19 community renewal project, the local governing body shall review and
20 determine the conformity of the community renewal plan with the
21 comprehensive plan or parts thereof for the development of the
22 municipality as a whole. If the community renewal plan is not
23 consistent with the existing comprehensive plan, the local governing
24 body may amend its comprehensive plan or community renewal plan.

25 (3) Prior to adoption, the local governing body shall hold a public
26 hearing on a community renewal plan after providing public notice under
27 RCW 8.25.290. (~~((The notice shall be given by publication once each~~
28 ~~week for two consecutive weeks not less than ten nor more than thirty~~
29 ~~days prior to the date of the hearing in a newspaper having a general~~
30 ~~circulation in the community renewal area of the municipality and by~~
31 ~~mailing a notice of the hearing not less than ten days prior to the~~
32 ~~date of the hearing to the persons whose names appear on the county~~
33 ~~treasurer's tax roll as the owner or reputed owner of the property, at~~
34 ~~the address shown on the tax roll.)) In addition to the information~~
35 required to be provided under RCW 8.25.290, the notice shall describe
36 the time, date, place, and purpose of the hearing, shall generally
37 identify the community renewal area affected, and shall outline the
38 general scope of the community renewal plan under consideration.

1 (4) Following the hearing, the local governing body may approve a
2 community renewal project if it finds that (a) a feasible plan exists
3 for making available adequate housing for the residents who may be
4 displaced by the project; (b) the community renewal plan conforms to
5 the comprehensive plan for the municipality; (c) ~~((the community
6 renewal plan will afford maximum opportunity, consistent with the needs
7 of the municipality, for the rehabilitation or redevelopment of the
8 community renewal area by private enterprise; (d)))~~ a sound and
9 adequate financial program exists for the financing of the project; and
10 ~~((e))~~ (d) the community renewal project area ((is a blighted area))
11 contains one or more blighted properties as defined in RCW
12 35.81.015(2).

13 (5) A community renewal project plan may be modified at any time by
14 the local governing body as long as the local governing body provides
15 notice of the proposed modification as described under subsection (3)
16 of this section. However, if modified after the lease or sale by the
17 municipality of real property in the community renewal project area,
18 the modification shall be subject to the rights at law or in equity as
19 a lessee or purchaser, or the successor or successors in interest may
20 be entitled to assert.

21 (6) Unless otherwise expressly stated in an ordinance or resolution
22 of the governing body of the municipality, a community renewal plan
23 shall not be considered a subarea plan or part of a comprehensive plan
24 for purposes of chapter 36.70A RCW. However, a municipality that has
25 adopted a comprehensive plan under chapter 36.70A RCW may adopt all or
26 part of a community renewal plan at any time as a new or amended
27 subarea plan, whether or not any subarea plan has previously been
28 adopted for all or part of the community renewal area. Any community
29 renewal plan so adopted, unless otherwise determined by the growth
30 management hearings board with jurisdiction under a timely appeal in
31 RCW 36.70A.280, shall be conclusively presumed to comply with the
32 requirements in this chapter for consistency with the comprehensive
33 plan.

34 **Sec. 6.** RCW 35.81.070 and 2002 c 218 s 7 are each amended to read
35 as follows:

36 Every municipality shall have all the powers necessary or

1 convenient to carry out and effectuate the purposes and provisions of
2 this chapter, including the following powers in addition to others
3 granted under this chapter:

4 (1) To undertake and carry out community renewal projects within
5 the municipality, to make and execute contracts and other instruments
6 necessary or convenient to the exercise of its powers under this
7 chapter, and to disseminate blight clearance and community renewal
8 information.

9 (2) To provide or to arrange or contract for the furnishing or
10 repair by any person or agency, public or private, of services,
11 privileges, works, streets, roads, public utilities or other facilities
12 for, or in connection with, a community renewal project; to install,
13 construct, and reconstruct streets, utilities, parks, playgrounds, and
14 other public improvements; and to agree to any conditions that it may
15 deem reasonable and appropriate attached to federal financial
16 assistance and imposed pursuant to federal law relating to the
17 determination of prevailing salaries or wages or compliance with labor
18 standards, in the undertaking or carrying out of a community renewal
19 project, and to include in any contract let in connection with such a
20 project, provisions to fulfill such of said conditions as it may deem
21 reasonable and appropriate.

22 (3) To provide financial or technical assistance, using available
23 public or private funds, to a person or public body for the purpose of
24 creating or retaining jobs, a substantial portion of which, as
25 determined by the municipality, shall be for persons of low income.

26 (4) To make payments, loans, or grants to, provide assistance to,
27 and contract with existing or new owners and tenants of property in the
28 community renewal areas as compensation for any adverse impacts, such
29 as relocation or interruption of business, that may be caused by the
30 implementation of a community renewal project, and/or consideration for
31 commitments to develop, expand, or retain land uses that contribute to
32 the success of the project or plan, including without limitation
33 businesses that will create or retain jobs, a substantial portion of
34 which, as determined by the municipality, shall be for persons of low
35 income.

36 (5) To contract with a person or public body to provide financial
37 assistance, authorized under this section, to property owners and
38 tenants impacted by the implementation of the community renewal plan

1 and to provide incentives to property owners and tenants to encourage
2 them to locate in the community renewal area after adoption of the
3 community renewal plan.

4 (6) Within the municipality, to enter upon any building or property
5 in any community renewal area, in order to make surveys and appraisals,
6 provided that such entries shall be made in such a manner as to cause
7 the least possible inconvenience to the persons in possession(~~(, and to~~
8 ~~obtain))~~ and only pursuant to an order for this purpose from a court of
9 competent jurisdiction in the event entry is denied or resisted; to
10 acquire by purchase, lease, option, gift, grant, bequest, devise,
11 eminent domain, or otherwise, any real property and such personal
12 property as may be necessary for the administration of the provisions
13 herein contained, together with any improvements thereon; to hold,
14 improve, clear, or prepare for redevelopment any such property; to
15 dispose of any real property; to insure or provide for the insurance of
16 any real or personal property or operations of the municipality against
17 any risks or hazards, including the power to pay premiums on any such
18 insurance((: ~~PROVIDED, That no statutory provision with respect to the~~
19 ~~acquisition, clearance, or disposition of property by public bodies~~
20 ~~shall restrict a municipality in the exercise of such functions with~~
21 ~~respect to a community renewal project))~~).

22 (7) To invest any community renewal project funds held in reserves
23 or sinking funds or any such funds which are not required for immediate
24 disbursement, in property or securities in which mutual savings banks
25 may legally invest funds subject to their control; to redeem such bonds
26 as have been issued pursuant to RCW 35.81.100 at the redemption price
27 established therein or to purchase such bonds at less than redemption
28 price, all such bonds so redeemed or purchased to be canceled.

29 (8) To borrow money and to apply for, and accept, advances, loans,
30 grants, contributions and any other form of financial assistance from
31 the federal government, the state, county, or other public body, or
32 from any sources, public or private, for the purposes of this chapter,
33 and to enter into and carry out contracts in connection therewith. A
34 municipality may include in any application or contract for financial
35 assistance with the federal government for a community renewal project
36 such conditions imposed pursuant to federal laws as the municipality
37 may deem reasonable and appropriate and which are not inconsistent with
38 the purposes of this chapter.

1 (9) Within the municipality, to make or have made all plans
2 necessary to the carrying out of the purposes of this chapter and to
3 contract with any person, public or private, in making and carrying out
4 such plans and to adopt or approve, modify, and amend such plans. Such
5 plans may include, without limitation: (a) A comprehensive plan or
6 parts thereof for the locality as a whole, (b) community renewal plans,
7 (c) plans for carrying out a program of voluntary or compulsory repair
8 and rehabilitation of buildings and improvements, (d) plans for the
9 enforcement of state and local laws, codes, and regulations relating to
10 the use of land and the use and occupancy of buildings and improvements
11 and to the compulsory repair, rehabilitation, demolition, or removal of
12 buildings and improvements, (e) appraisals, title searches, surveys,
13 studies, and other preliminary plans and work necessary to prepare for
14 the undertaking of community renewal projects, and (f) plans to provide
15 financial or technical assistance to a person or public body for the
16 purpose of creating or retaining jobs, a substantial portion of which,
17 as determined by the municipality, shall be for persons of low income.
18 The municipality is authorized to develop, test, and report methods and
19 techniques, and carry out demonstrations and other activities, for the
20 prevention and the elimination of blight, for job creation or retention
21 activities, and to apply for, accept, and utilize grants of, funds from
22 the federal government for such purposes.

23 (10) To prepare plans for the relocation of families displaced from
24 a community renewal area, and to coordinate public and private agencies
25 in such relocation, including requesting such assistance for this
26 purpose as is available from other private and governmental agencies,
27 both for the municipality and other parties.

28 (11) To appropriate such funds and make such expenditures as may be
29 necessary to carry out the purposes of this chapter, and in accordance
30 with state law: (a) Levy taxes and assessments for such purposes; (b)
31 acquire land either by negotiation or eminent domain, or both; (c)
32 close, vacate, plan, or replan streets, roads, sidewalks, ways, or
33 other places; (d) plan or replan, zone or rezone any part of the
34 municipality; (e) adopt annual budgets for the operation of a community
35 renewal agency, department, or offices vested with community renewal
36 project powers under RCW 35.81.150; and (f) enter into agreements with
37 such agencies or departments (which agreements may extend over any

1 period) respecting action to be taken by such municipality pursuant to
2 any of the powers granted by this chapter.

3 (12) Within the municipality, to organize, coordinate, and direct
4 the administration of the provisions of this chapter as they apply to
5 such municipality in order that the objective of remedying blighted
6 ((areas)) properties and preventing the causes thereof within such
7 municipality may be most effectively promoted and achieved, and to
8 establish such new office or offices of the municipality or to
9 reorganize existing offices in order to carry out such purpose most
10 effectively.

11 (13) To contract with a person or public body to assist in carrying
12 out the purposes of this chapter.

13 (14) To exercise all or any part or combination of powers herein
14 granted.

15 **Sec. 7.** RCW 35.81.080 and 2002 c 218 s 8 are each amended to read
16 as follows:

17 A municipality shall have the right to acquire by condemnation, in
18 accordance with the procedure provided for condemnation by such
19 municipality for other purposes, any interest in real property, which
20 it may deem necessary for a community renewal project under this
21 chapter after the adoption by the local governing body of a resolution
22 declaring that the acquisition of the real property described therein
23 is necessary for such purpose. Condemnation for community renewal of
24 blighted ((areas)) properties is declared to be a public use, and
25 property already devoted to any other public use or acquired by the
26 owner or a predecessor in interest by eminent domain may be condemned
27 for the purposes of this chapter.

28 ~~((The award of compensation for real property taken for such a
29 project shall not be increased by reason of any increase in the value
30 of the real property caused by the assembly, clearance, or
31 reconstruction, or proposed assembly, clearance, or reconstruction in
32 the project area. No allowance shall be made for the improvements
33 begun on real property after notice to the owner of such property of
34 the institution of proceedings to condemn such property. Evidence
35 shall be admissible bearing upon the insanitary, unsafe, or substandard
36 condition of the premises, or the unlawful use thereof.))~~

1 **Sec. 8.** RCW 35.81.090 and 2002 c 218 s 9 are each amended to read
2 as follows:

3 (1) A municipality, with approval of its legislative authority, may
4 acquire real property, or any interest therein, for the purposes of a
5 community renewal project (a) prior to the selection of one or more
6 persons interested in undertaking to redevelop or rehabilitate the real
7 property, or (b) after the selection of one or more persons interested
8 in undertaking to redevelop or rehabilitate such real property. In
9 either case the municipality may select a redeveloper through a
10 competitive bidding process consistent with this section or through a
11 process consistent with RCW 35.81.095.

12 (2) A municipality, with approval of its legislative authority, may
13 sell, lease, or otherwise transfer real property or any interest
14 therein acquired by it for a community renewal project, in a community
15 renewal area for residential, recreational, commercial, industrial, or
16 other uses or for public use, and may enter into contracts with respect
17 thereto, or may retain such a property or interest only for parks and
18 recreation, education, public utilities, public transportation, public
19 safety, health, highways, streets, and alleys, administrative
20 buildings, or civic centers, in accordance with the community renewal
21 project plan, subject to such covenants, conditions, and restrictions,
22 including covenants running with the land, as it may deem to be
23 necessary or desirable to (~~assist in preventing the development or~~
24 ~~spread of blighted areas or otherwise to~~)) carry out the purposes of
25 this chapter. However, such a sale, lease, other transfer, or
26 retention, and any agreement relating thereto, may be made only after
27 the approval of the community renewal plan by the local governing body.
28 The purchasers or lessees and their successors and assigns shall be
29 obligated to devote the real property only to the uses specified in the
30 community renewal plan, and may be obligated to comply with any other
31 requirements as the municipality may determine to be in the public
32 interest, including the obligation to begin and complete, within a
33 reasonable time, any improvements on the real property required by the
34 community renewal plan or promised by the transferee. The real
35 property or interest shall be sold, leased, or otherwise transferred
36 for the consideration the municipality determines adequate. In
37 determining the adequacy of consideration, a municipality may take into
38 account the uses permitted under the community renewal plan; the

1 restrictions upon, and the covenants, conditions, and obligations
2 assumed by, the transferee; and the public benefits to be realized,
3 including furthering of the objectives of the plan for the prevention
4 of the recurrence of blighted (~~areas~~) properties.

5 (3) The municipality in any instrument of conveyance to a private
6 purchaser or lessee may provide that the purchaser or lessee shall be
7 without power to sell, lease, or otherwise transfer the real property,
8 or to permit changes in ownership or control of a purchaser or lessee
9 that is not a natural person, in each case without the prior written
10 consent of the municipality until the purchaser or lessee has completed
11 the construction of all improvements that it has obligated itself to
12 construct thereon. The municipality may also retain the right, upon
13 any earlier transfer or change in ownership or control without consent;
14 or any failure or change in ownership or control without consent; or
15 any failure to complete the improvements within the time agreed to
16 terminate the transferee's interest in the property; or to retain or
17 collect on any deposit or instrument provided as security, or both.
18 The enforcement of these restrictions and remedies is declared to be
19 consistent with the public policy of this state. Real property
20 acquired by a municipality that, in accordance with the provisions of
21 the community renewal plan, is to be transferred, shall be transferred
22 as rapidly as feasible, in the public interest, consistent with the
23 carrying out of the provisions of the community renewal plan. The
24 inclusion in any contract or conveyance to a purchaser or lessee of any
25 covenants, restrictions, or conditions (including the incorporation by
26 reference therein of the provisions of a community renewal plan or any
27 part thereof) shall not prevent the recording of such a contract or
28 conveyance in the land records of the auditor or the county in which
29 the city or town is located, in a manner that affords actual or
30 constructive notice thereof.

31 (4)(a)(i) A municipality may dispose of real property in a
32 community renewal area, acquired by the municipality under this
33 chapter, to any private persons only under those reasonable competitive
34 bidding procedures as it shall prescribe, or by competitive bidding as
35 provided in this subsection, through direct negotiation where
36 authorized under (c) of this subsection, or by a process authorized in
37 RCW 35.81.095.

1 (ii) A competitive bidding process may occur (A) prior to the
2 purchase of the real property by the municipality, or (B) after the
3 purchase of the real property by the municipality.

4 (b)(i) A municipality may, by public notice by publication once
5 each week for three consecutive weeks in a newspaper having a general
6 circulation in the community, prior to the execution of any contract or
7 deed to sell, lease, or otherwise transfer real property and prior to
8 the delivery of any instrument of conveyance with respect thereto under
9 the provisions of this section, invite bids from, and make available
10 all pertinent information to, private redevelopers or any persons
11 interested in undertaking to redevelop or rehabilitate a community
12 renewal area, or any part thereof. This notice shall identify the
13 area, or portion thereof, and shall state that further information as
14 is available may be obtained at the office as shall be designated in
15 the notice.

16 (ii) The municipality shall consider all responsive redevelopment
17 or rehabilitation bids and the financial and legal ability of the
18 persons making the bids to carry them out. The municipality may accept
19 the bids as it deems to be in the public interest and in furtherance of
20 the purposes of this chapter. Thereafter, the municipality may
21 execute, in accordance with the provisions of subsection (2) of this
22 section, and deliver contracts, deeds, leases, and other instruments of
23 transfer.

24 (c) If the legislative authority of the municipality determines
25 that the sale of real property to a specific person is necessary to the
26 success of a neighborhood revitalization or community renewal project
27 for which the municipality is providing assistance to a nonprofit
28 organization from federal community development block grant funds under
29 42 U.S.C. Sec. 5305(a)(15), or successor provision, under a plan or
30 grant application approved by the United States department of housing
31 and urban development, or successor agency, then the municipality may
32 sell or lease that property to that person through direct negotiation,
33 for consideration determined by the municipality to be adequate
34 consistent with subsection (2) of this section. This direct
35 negotiation may occur, and the municipality may enter into an agreement
36 for sale or lease, either before or after the acquisition of the
37 property by the municipality. Unless the municipality has provided
38 notice to the public of the intent to sell or lease the property by

1 direct negotiation, as part of a citizen participation process adopted
2 under federal regulations for the plan or grant application under which
3 the federal community development block grant funds have been awarded,
4 the municipality shall publish notice of the sale at least fifteen days
5 prior to the conveyance of the property.

6 (5) A municipality may operate and maintain real property acquired
7 in a community renewal area for a period of three years pending the
8 disposition of the property for redevelopment, without regard to the
9 provisions of subsection (2) of this section, for such uses and
10 purposes as may be deemed desirable even though not in conformity with
11 the community renewal plan. However, the municipality may, after a
12 public hearing, extend the time for a period not to exceed three years.

13 (6) Any covenants, restrictions, promises, undertakings, releases,
14 or waivers in favor of a municipality contained in any deed or other
15 instrument accepted by any transferee of property from the municipality
16 or community renewal agency under this chapter, or contained in any
17 document executed by any owner of property in a community renewal area,
18 shall run with the land to the extent provided in the deed, instrument,
19 or other document, so as to bind, and be enforceable by the
20 municipality against, the person accepting or making the deed,
21 instrument, or other document and that person's heirs, successors in
22 interest, or assigns having actual or constructive notice thereof.

23 NEW SECTION. **Sec. 9.** RCW 35.81.030 (Encouragement of private
24 enterprise) and 2002 c 218 s 3 & 1965 c 7 s 35.81.030 are each
25 repealed.

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